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CITY OF PATTERSON, LOUISIANA

Financial Report

Year Ended June 30, 2002

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Release Date 1-2-03

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GURRY, CHALVIN & TAYLOR

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ORGAN OF
CITY OF PATTERSON
BUREAU OF INDEPENDENT
AUDITING

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Independent Auditor's Report

The Honorable James L. Beaumont, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the accompanying general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Patterson, Louisiana, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 13, 2002, on our consideration of the City of Patterson's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Patterson, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole, except that:

- (1) information as to the number of utility customers presents on page 83 is based on unaudited data obtained from the City's records, on which we express no opinion, and

(2) the insurance coverage data presented on page 56 has not been audited by us and we express no opinion on it.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year which was audited by other auditors, whose report dated November 16, 2001 expressed an unqualified opinion on the general purpose financial statements of the City of Patterson, Louisiana.

Quattrone, Chausseville & Taylor
A Corporation of Certified Public Accountants

Patterson, Louisiana
November 13, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS-OVERVIEW)**

CITY OF PATTERSON, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 2003

With Comparative Totals for Year Ended June 30, 2004

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash	\$ 158,832	\$ 588,299	\$ 34,874	\$ 34,703
Interest-bearing deposits	2,338,615	1,329,188	861,357	861,256
Investments, at fair value	-	886,025	-	-
Receivables:				
Taxes	118,493	51,503	-	-
Accounts	-	-	-	-
Property assessments	-	-	35,893	-
Accrued interest	1,186	1,485	623	25
Due from other funds	248,361	473	191,783	23,784
Due from other governmental units	23,118	13,148	-	121,521
Prepaid insurance	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
Interest-bearing deposits	-	-	-	-
Accrued interest receivable	-	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Construction in progress	-	-	-	-
Utility property, plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$ 3,285,349	\$ 3,531,884	\$ 1,231,734	\$ 1,046,279

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals	
		General	General	(Memorandum Only)	
		Fund	Long-Term	2003	2001
Enterprise	Agency	Assets	Liabilities		
\$ 215,183	\$ 304,364	\$ -	\$ -	\$ 988,976	\$ 1,321,880
483,537	-	-	-	3,514,189	6,281,562
281,677	-	-	-	1,089,182	-
-	-	-	-	178,628	168,213
311,598	-	-	-	313,358	297,500
-	-	-	-	18,995	17,373
78	-	-	-	3,327	13,928
94,647	16,399	-	-	566,116	644,183
-	-	-	-	168,477	78,098
5,627	-	-	-	5,627	3,326
123,088	-	-	-	125,000	125,000
287,893	-	-	-	397,850	198,151
1,611,681	-	-	-	1,611,681	1,487,858
187	-	-	-	187	219
-	-	236,344	-	236,344	236,344
-	-	438,190	-	438,190	438,190
-	-	963,463	-	963,463	963,138
-	-	1,943,878	-	1,943,836	302,845
35,417,688	-	-	-	18,417,688	18,392,879
(1,878,188)	-	-	-	(5,379,389)	(5,355,854)
-	-	-	894,183	894,183	964,692
-	-	-	1,815,817	1,815,817	1,158,283
\$ 8,228,058	\$ 137,363	\$ 1,583,725	\$ 1,830,000	\$ 31,312,876	\$ 18,772,444

(continued)

CITY OF PATTERSON, LOUISIANA

**Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2002
With Comparative Totals for Year Ended June 30, 2001**

	Governmental Fund Types			
	General	Special Revenues	Public Service	Capital Projects
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 69,851	\$ 2,905	\$ -	\$ 97,300
Accrued liabilities	-	-	-	88,818
Due to other funds	264,409	70,883	182,914	2,000
Payable from restricted assets -				
Revenue bonds	-	-	-	-
Accrued interest	-	-	-	-
Customers' deposits	-	-	-	-
Advances from other funds	125,880	-	-	-
Deferred revenues	-	-	14,995	-
General obligation bonds and notes payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Long obligation payable	-	-	-	-
Total liabilities	456,140	73,788	197,909	188,118
Fund equity:				
Contributed capital (net of accumulated amortization)	-	-	-	-
Investment in general fund assets	-	-	-	-
Retained earnings (policy) -				
Reserved for revenue bond retirement	-	-	-	-
Unreserved	-	-	-	-
Total retained earnings	-	-	-	-
Fund balances -				
Reserved for debt service	-	-	284,183	-
Unreserved:				
Designated for subsequent years' expenditures	-	47,848	-	358,868
Undesignated	2,961,831	2,791,285	187,622	-
Total fund balances	2,961,831	2,839,133	471,805	358,868
Total fund equity	2,961,831	2,839,133	471,805	358,868
Total liabilities and fund equity	\$ 2,961,245	\$ 2,912,921	\$ 669,714	\$ 547,279

CITY OF PATERSON, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances --
All Governmental Fund Types
Year Ended June 30, 2003
with Comparative Totals for Year Ended June 30, 2000

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:			
Taxes	\$ 983,269	\$ 799,133	\$ -
Licenses and permits	187,481	-	-
Intergovernmental	197,994	44,345	-
Charges for services	319,218	-	-
Fines and forfeits	180,436	-	-
Miscellaneous	136,887	17,539	17,118
Total revenues	<u>1,848,285</u>	<u>861,017</u>	<u>17,118</u>
Expenditures:			
Current -			
General government			
Administrative	319,597	13,654	-
Mechanic shop	60,866	-	-
Public safety			
Police	544,541	-	-
Fire	28,308	-	-
Streets and drainage	318,788	-	-
Culture and recreation	17,341	-	-
Sanitation and sewer	284,876	-	-
Housing rehabilitation	-	28,411	-
Debt service -			
Principal retirement	5,376	-	186,608
Interest and fiscal charges	159	-	84,036
Capital outlay	58,332	998	86,718
Total expenditures	<u>1,311,911</u>	<u>44,063</u>	<u>277,362</u>
Excess (deficiency) of revenues over expenditures	<u>536,374</u>	<u>816,954</u>	<u>(260,244)</u>
Other financing sources (uses):			
Operating transfers in	147,507	-	376,188
Operating transfers out	(134,687)	(122,384)	-
Total other financing sources (uses)	<u>12,820</u>	<u>(122,384)</u>	<u>376,188</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>549,194</u>	<u>694,570</u>	<u>112,144</u>
Fund balances, beginning	<u>2,681,126</u>	<u>2,113,536</u>	<u>964,893</u>
Fund balances, ending	<u>\$ 3,230,318</u>	<u>\$ 2,808,100</u>	<u>\$ 1,076,937</u>

Capital Projects	Totals	
	(Millions of Dollars)	
	2001	2002
\$ -	\$ 1,793,402	\$ 1,844,373
-	181,600	182,333
857,982	1,002,120	853,669
-	319,318	309,386
-	180,406	184,528
11,188	216,416	284,008
<u>889,162</u>	<u>1,801,159</u>	<u>1,528,494</u>
1,642	304,390	288,483
-	60,996	58,187
-	784,180	679,708
-	28,308	38,002
-	318,780	327,338
-	17,141	27,018
-	284,876	285,787
-	29,611	208,080
-	195,378	302,151
-	64,785	114,348
<u>1,398,272</u>	<u>1,688,361</u>	<u>401,197</u>
<u>1,399,814</u>	<u>1,719,282</u>	<u>2,629,679</u>
<u>(516,512)</u>	<u>(116,694)</u>	<u>928,732</u>
250,800	718,665	487,608
-	(878,911)	(882,458)
<u>250,800</u>	<u>(159,246)</u>	<u>(394,850)</u>
(476,732)	(179,838)	838,889
<u>834,830</u>	<u>6,495,234</u>	<u>5,765,365</u>
<u>\$ 338,668</u>	<u>\$ 6,415,334</u>	<u>\$ 6,395,234</u>

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 2002**

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 983,363	\$ 983,369	\$ (1,004)
Licenses and permits	86,689	107,603	20,914
Intergovernmental	188,895	187,894	(1,001)
Charges for services	34,748	33,218	(1,530)
Fees and fines	174,928	186,434	11,506
Miscellaneous	185,487	188,397	2,910
Total revenues	1,763,000	1,688,915	(74,085)
Expenditures:			
Current -			
General government:			
administrative	346,562	319,597	26,965
Mechanics shop	60,000	60,896	(896)
Public safety			
Police	754,146	766,541	(12,395)
Fire	34,718	33,388	1,330
Streets and drainage	344,111	318,784	25,327
Culture and recreation	28,177	17,141	11,036
Sanitation and waste	264,665	264,676	(11)
Housing rehabilitation	-	-	-
Other services			
Principal retirement	1,276	1,276	-
Interest and fiscal charges	188	179	9
Capital outlay	17,996	34,552	(16,556)
Other uses	-	-	-
Total expenditures	1,897,177	1,913,983	(16,807)
Excess (deficiency) of revenues over expenditures	(134,177)	30,200	(164,378)
Other financing sources (uses):			
Operating transfers in	183,889	67,687	116,202
Operating transfers out	(326,481)	(314,605)	11,876
Total other financing sources (uses)	(142,592)	(146,918)	4,326
Excess (deficiency) of revenues and other sources over expenditures and other uses	(291,138)	(116,774)	(174,364)
Fund balances, beginning	2,682,136	2,682,136	-
Fund balances, ending	\$ 2,390,998	\$ 2,565,362	\$ (175,344)

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance - Favorable/ Unfavorable	Budget	Actual	Variance - Favorable/ Unfavorable
\$ 130,817	\$ 199,111	\$ 68,294	\$ -	\$ -	\$ -
-	-	-	-	-	-
46,141	46,141	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,194	11,129	4,065	11,406	17,108	5,702
<u>192,152</u>	<u>262,381</u>	<u>70,229</u>	<u>11,406</u>	<u>17,108</u>	<u>5,702</u>
17,604	11,614	5,990	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,611	26,611	-	-	-	-
-	-	-	190,000	190,000	-
-	-	-	110,044	64,006	46,038
11,244	938	10,306	-	46,718	46,718
11,188	-	11,188	-	-	-
<u>141,646</u>	<u>11,601</u>	<u>130,045</u>	<u>300,044</u>	<u>260,724</u>	<u>39,320</u>
608,108	646,104	38,000	129,473	129,493	20
-	-	-	111,601	176,008	64,407
(441,876)	(171,144)	270,732	-	-	-
<u>(441,876)</u>	<u>(171,144)</u>	<u>270,732</u>	<u>111,601</u>	<u>176,008</u>	<u>64,407</u>
289,838	328,480	38,642	31,111	37,111	6,000
1,013,116	1,171,116	-	944,891	944,891	-
<u>\$ 1,303,024</u>	<u>\$ 1,495,416</u>	<u>\$ 192,392</u>	<u>\$ 1,047,014</u>	<u>\$ 1,091,390</u>	<u>\$ 44,376</u>

(continued)

CITY OF PATTERSON, LOUISIANA

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types (Continued)
Year Ended June 30, 2002**

	Capital Project Funds		Variances - Favorable/ Unfavorable
	Budget	Actual	
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	871,687	871,882	(195)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Miscellaneous	1,148	11,140	9,992
Total revenues	<u>872,795</u>	<u>883,022</u>	<u>(10,227)</u>
Expenditures			
Current -			
General government			
Administration	-	-	-
Mechanics shop	-	-	-
Public safety	-	-	-
Police	-	-	-
Fire	-	-	-
Sanitary and drainage	-	-	-
Culture and recreation	-	-	-
Sanitation and sewer	-	-	-
Housing rehabilitation	-	-	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital-outlay	1,018,711	1,794,070	(775,359)
Other costs	88	1,680	(1,592)
Total expenditures	<u>1,018,809</u>	<u>1,805,750</u>	<u>(786,941)</u>
Excess (deficiency) of revenues over expenditures	<u>(146,014)</u>	<u>(926,728)</u>	<u>(780,714)</u>
Other financing sources (total)			
Operating transfers in	258,000	258,000	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>258,000</u>	<u>258,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing over expenditures and other uses	<u>(190,014)</u>	<u>(668,728)</u>	<u>(478,714)</u>
Fund balances, beginning	<u>834,938</u>	<u>834,938</u>	<u>-</u>
Fund balances, ending	<u>\$ 644,924</u>	<u>\$ 166,210</u>	<u>\$ (478,714)</u>

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type Year Ended June 30, 2002 With Comparative Totals for Year Ended June 30, 2001

	Enterprise	
	2002	2001
Operating revenues:		
Charges for services -		
Gas sales and services	\$ 834,082	\$ 1,478,291
Water sales and services	409,820	417,804
Sewerage service	330,773	350,114
Debt forgiveness	37,290	-
Commissions, transfers and excursions	9,349	18,799
Miscellaneous	17,496	18,116
Total operating revenues	1,708,710	2,303,104
Operating expenses:		
Administrative	345,218	318,698
Gas department	478,338	1,196,694
Water department	364,342	379,304
Sewerage department	179,779	188,140
Depreciation	367,280	379,658
Total operating expenses	1,634,857	2,102,494
Operating income	73,853	200,610
Nonoperating revenues (expenses):		
Interest income	37,860	82,340
Sale of assets	-	600
Interest and fiscal charges	(58,650)	(84,696)
Total nonoperating revenues (expenses)	(20,790)	(1,000)
Income before operating transfers	53,063	199,610
Operating transfers in (out)	48,346	-
Net income	101,409	199,610
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	66,740	66,740
Increase in retained earnings	168,149	266,350
Retained earnings, beginning	358,158	122,158
Retained earnings, ending	\$ 526,307	\$ 388,508

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

**Comparative Statement of Cash Flows
Proprietary Fund Type**

Year Ended June 30, 2002

With Comparative Totals for Year Ended June 30, 2001

	Restatement	
	2002	2001
Cash flows from operating activities:		
Operating income	<u>\$ 105,642</u>	<u>\$ 148,110</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	267,390	270,656
Gain on disposal of assets	-	(340)
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(13,615)	9,913
(Increase) decrease in prepaid insurance	(2,104)	7,690
Increase (decrease) in accounts payable	(11,889)	3,289
Increase (decrease) in accrued liabilities	(432)	1,865
Total adjustment	<u>238,256</u>	<u>293,613</u>
Net cash provided by operating activities	<u><u>343,898</u></u>	<u><u>418,358</u></u>
Cash flows from noncapital financing activities:		
Operating transfers-out to other funds	(107,699)	(11,912)
Cash received from other funds	<u>27,862</u>	<u>118,894</u>
Net cash provided (used) by noncapital financing activities	<u><u>(79,837)</u></u>	<u><u>106,982</u></u>
Cash flows from capital and related financing activities:		
Acquisition of plant and equipment	(799)	(16,273)
Proceeds from disposal of assets	-	825
Principal paid on revenue bond maturities	(63,880)	(63,880)
Interest paid on revenue bonds	(27,689)	(64,880)
Increase in customer meter deposits	<u>11,732</u>	<u>9,287</u>
Net cash used by capital and related financing activities	<u><u>(101,256)</u></u>	<u><u>(134,121)</u></u>

(continued)

CITY OF PATTERSON, LOUISIANA

Comparative Statement of Cash Flows (Continued) Proprietary Fund Type Year Ended June 30, 2002 With Comparative Totals for Year Ended June 30, 2001

	Restatement	
	2002	2001
Cash flows from investing activities:		
Purchase of interest-bearing deposits	(45,844)	(462,840)
Purchase of investments	-	-
Proceeds from the sale and maturity of interest-bearing deposits	38,948	515,801
Proceeds from maturity of investments	-	177,999
Interest on interest-bearing deposits	37,687	63,136
Net cash provided by investing activities	30,791	194,046
Net increase in cash and cash equivalents	194,418	774,948
Cash and cash equivalents, beginning of period	1,494,796	1,719,848
Cash and cash equivalents, end of period	\$ 1,689,213	\$ 2,494,796

Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet -

Cash and cash equivalents beginning of period -		
Cash - unrestricted	\$ 119,644	\$ 300,712
Interest-bearing deposits - unrestricted	771,834	111,844
Cash - restricted	196,131	188,864
Interest-bearing deposits - restricted	1,487,830	1,799,978
Less: Interest-bearing deposits with a maturity over three months	(188,657)	(179,258)
Total cash and cash equivalents	2,494,796	2,119,848
Cash and cash equivalents, end of period -		
Cash - unrestricted	155,195	118,644
Interest-bearing deposits - unrestricted	768,136	773,654
Cash - restricted	196,838	196,131
Interest-bearing deposits - restricted	1,611,688	1,487,609
Less: Interest-bearing deposits with a maturity over three months	(188,657)	(188,240)
Total cash and cash equivalents	2,494,796	2,494,796
Net increase	\$ 194,418	\$ 774,948

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Patterson was incorporated March 11, 1983, under the provisions of the Louisiana Act. The City operated under a Mayor-Board of Aldermen form of government until December 11, 1990 at which time the City adopted a Home Rule Charter and now operates under an elected Mayor-Council, administrative-legislative form of government. The City's operations include police and fire protection, streets and drainage, public and recreation, residential waste collection services, certain social services and general administration services. The City owns and operates an enterprise fund which provides gas, water, and sewer services.

The accounting and reporting policies of the City of Patterson conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:113, the Louisiana Governmental Audit Guide and to the industry audit guide, *Audit of State and Local Governments*, Unit.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's codification of *Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the majority interest of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/loss on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Patterson has no component units.

Related Organizations

The City's officials are responsible for appointing the members of the board of the Patterson Housing Authority, but the City's accountability for the public housing authority does not extend beyond making the appointments. Also, the City provides facilities and some financing to the Patterson Volunteer Department but the City does not appoint the governing board nor does it have any additional financial accountability to the volunteer fire department.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt (principal, interest, and related costs).

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund -

Enterprise fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of revenues, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Patterson's enterprise fund is the Utility Fund.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds:

Agency funds

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations, but are used to account for assets held for other funds.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Proprietary fund types follow generally accepted accounting principles (GAAP) prescribed by the Governmental Accounting Standards Board and all applicable FASB pronouncements.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 30 years
Improvements	10 - 15 years
Equipment	4 - 20 years

CITY OF FATHERSBERG, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Governmental Fund Types (General, Special Revenue, Debt Service and Capital Project Funds), and Expendable Trust Funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Agency Funds also use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year, and accrued vacation and sick leave which is recorded when payable from current available financial resources.

The revenues susceptible to accrual are property taxes, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including sold fuel gas, water and sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

Budgetary and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) The City Clerk prepares a proposed budget and submits it to the Mayor and City Council for the fiscal year at least thirty-five days prior to the beginning of each fiscal year.
- (2) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (3) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- (4) After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- (5) Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
- (6) All budgetary appropriations lapse at the end of each year, except for capital expenditures.
- (7) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council. Such amendments were not material in relation to the original appropriation.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City as an extension of formal budgetary appropriation in the funds.

Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash-equivalents.

Advances to/from Other Funds

Noncurrent portions of long-term interfund loans receivable and payable are reported as "Advances to other funds" and "Advances from other funds". Advances to other funds in governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bad Debt

Uncollectible amounts due the city various years are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible taxes receivable was made due to immateriality at June 30, 2002.

Accounts receivable in the Utility Fund is presented net of an allowance for doubtful accounts of \$16,000 and \$16,000 at June 30, 2002 and 2001, respectively.

Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures at the period in which paid. Sick leave does not accumulate and is not payable at termination of employment. Vacation must be taken in the year earned and cannot be carried over. Any liability the City might have in this regard at June 30, 2002 is considered immaterial; therefore, no liability has been recorded in the accounts.

Capitalization of Interest Expense

It is the policy of the City of Patterson to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the years ended June 30, 2002 and 2001, \$44,719 and \$7,130, respectively, of capitalized interest were recorded on the books.

Capital Lease

A capital lease is generally defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" as one which transfers benefits and risks of ownership to the lessee. Leases meeting the criteria of a capital lease as defined are recorded at inception as expenditures and other financial sources in governmental fund types and as assets and liabilities in the General Fixed Assets and General Long-Term Debt account groups, respectively, at the present value of the future minimum lease payments, using the interest rates stated in the leases.

Comparative Data

Comparative trial data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements – Overview

Total columns on the Combined Statements – Overview are captioned *Interim/audited Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The City's management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate. Actual results may differ from these estimates.

NOTE 2 CASH

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As June 30, 2002, the City has cash and interest-bearing deposits (bank balances) totaling \$4,333,613, as follows:

Demand deposits	\$ 1,196,629
Money market accounts and time deposits	<u>3,136,984</u>
Total	<u>\$ 4,333,613</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) as June 30, 2002, are secured as follows:

Bank balances	\$ 4,333,613
Federal deposit insurance	\$ 400,000
Pledged securities (Category 3)	<u>3,933,613</u>
Total federal deposit insurance and pledged securities	<u>\$ 4,333,613</u>
Excess	<u>\$ 1,862,268</u>

Pledged securities in Category 3 includes unsecured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 35:1119 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 3 AD VALOREM TAXES

Ad valorem taxes attach as an indivisible lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 1991, taxes of \$2.17 mills were levied on property with assessed valuations totaling \$11,881,031 and were dedicated as follows:

General corporate purposes	8.26 mills
Debt service	13.41 mills

Total taxes levied were \$21,146. The amount of taxes receivable at June 30, 2002 was \$1,921.

NOTE 4 INTERFUND RECEIVABLES/PAYABLES

	Interfund Receivables	Interfund Payables
Due to/from other funds:		
General Fund	\$ 240,281	\$ 204,439
Special revenue funds -		
Ad Valorem Tax Collection Fund	471	46,744
Sewerage and Solid Waste Sales Tax Fund	-	14,179
Debt service funds -		
Public Improvement Bonds Fund	149,634	14,697
Sales Tax Refunding Bonds	26,534	4,436
1998 Paving Assessment Fund	15,593	113,990
Public Improvement Sales Tax Bonds	-	281
Capital projects funds -		
City Hall & Jail Complex Project Fund	768	-
Sewerage and Wastewater Fund	11,443	-
Regional Sewerage Facility Project Fund	213	1,761
Murphy St. Paving Fund	-	783
Utility Fund	64,647	16,671
Agency Funds -		
Disbursement Fund	16,199	27,604
Payroll Fund	-	61,658
Total due to/from other funds	<u>\$ 586,126</u>	<u>\$ 586,126</u>
Advances to/from other funds:		
General Fund	\$ -	\$ 121,080
Utility Fund	121,080	-
Total advances to/from other funds	<u>\$ 121,080</u>	<u>\$ 121,080</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 3 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2002 consisted of the following:

Payment in lieu of taxes due from the Patterson Housing Authority	\$	5,858
Prior insurance rebate due from the St. Mary Parish Council		12,588
Reimbursement on construction of City Hall from State of Louisiana		123,110
Tier and schooler taxes due from the State of Louisiana		5,117
Vehicle police receipts due from the State of Louisiana		9,781
Indian gaming revenue due from the State of Louisiana		8,159
	\$	<u>144,613</u>

NOTE 4 RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets consisted of the following at June 30:

	2002	2001
Revenue bond and interest sinking fund	\$ 97,395	\$ 186,364
Revenue bond reserve fund	128,188	128,188
Revenue bond-capital additions and contingency fund	1,126,504	986,364
Revenue bond-construction fund	233,921	238,142
Customers' deposits	<u>234,193</u>	<u>223,472</u>
	<u>\$ 1,619,221</u>	<u>\$ 1,482,530</u>

NOTE 5 CHANGES IN FIXED ASSETS

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 238,344	\$ -	\$ -	\$ 238,344
Buildings	418,198	-	-	418,198
Equipment	947,114	38,178	60,829	924,463
Construction in progress	<u>852,842</u>	<u>1,688,025</u>	<u>-</u>	<u>1,540,867</u>
Total general				
Fixed assets	<u>\$ 1,456,498</u>	<u>\$ 1,726,203</u>	<u>\$ 60,829</u>	<u>\$ 1,881,712</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 7 CHANGES IN FIXED ASSETS (CONTINUED)

A summary of proprietary fixed type property, plant and equipment at June 30, 2002 follows:

Land	\$ 107,280
Administrative equipment	113,487
Gas utility:	
System	1,611,428
Equipment	157,678
Water utility:	
System	2,157,578
Tank	888,842
Equipment	178,381
Sewerage utility:	
System	1,593,261
Equipment	<u>66,733</u>
	18,417,688
Less: Accumulated depreciation	<u>3,379,189</u>
Net proprietary fixed type property, plant and equipment	<u>\$ 4,818,089</u>

NOTE 8 LONG TERM DEBT

The following is a summary of bonds and certificates of indebtedness transactions of the City of Patterson for the year ended June 30, 2002:

	General Obligation	Revenue	Total
Bonds and certificates, payable July 1, 2001	\$ 2,110,000	\$ 815,000	\$ 2,925,000
Bonds and certificates, retired	<u>(190,000)</u>	<u>(65,000)</u>	<u>(255,000)</u>
Bonds and certificates, payable June 30, 2002	<u>\$ 1,920,000</u>	<u>\$ 750,000</u>	<u>\$ 2,670,000</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 8 LONG-TERM DEBT (CONTINUED)

Bonds and certificates payable at June 30, 2002 are comprised of the following individual issues:

General obligation bonds and certificates:

\$200,000 1997 Public Improvement Series Refunding Bonds, due in annual installments of \$115,000 to \$120,000 through December 1, 2020; interest at 5 percent; secured by levy and collection of 5/4 percent sales tax revenue \$ 490,000

\$550,000 1998 General Obligation Refunding Bonds, due in annual installments of \$45,000 to \$61,000 through March 1, 2020; interest at 4.75 to 5.25 percent; secured by levy and collection of ad valorem taxes 620,000

\$450,000 Public Improvement Sales Tax Bonds, Series 2000, due in annual installments of \$20,000 to \$70,000 through January 1, 2020; interest at 3.75 percent; secured by levy and collection of 1 percent sales tax revenue 500,000

Total general obligation bonds and certificates payable \$ 1,610,000

Revenue bonds:

\$1,280,000 Utilities Revenue Bonds, Series 1999, due in annual installments of \$70,000 to \$120,000 through May 1, 2020; interest at 4.00 to 7.10 percent \$ 750,000

Less: Unamortized bond discount 70,816

Net utility revenue bonds \$ 719,184

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 3 LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2002, including interest payments of \$971,753 are as follows:

Year Ending June 30,	General Obligation	Revenue	Total
2003	\$ 394,817	\$ 123,118	\$ 427,157
2004	388,500	123,040	431,640
2005	387,415	127,815	435,290
2006	283,800	120,800	422,600
2007	147,245	125,275	291,510
2008-2012	450,546	381,945	1,038,599
2013-2021	370,225	-	370,225
2018-2021	221,287	-	221,287
	<u>\$ 2,631,890</u>	<u>\$ 1,088,565</u>	<u>\$ 3,641,215</u>

Covenants/Restrictions:

Property assessment bonds:

The City of Patterson entered the assessment certificates recorded in the general long-term debt group. Assets remaining in these funds after the retirement of the outstanding obligations may be used only for the repair and maintenance of the streets improved from the proceeds of the original certificate issue.

Utility revenue bonds:

The various bond indentures contain significant limitations and restrictions as to the annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage (see Note 9). The City is in compliance with all such significant limitations and restrictions.

Sales tax revenue public improvement bonds:

The resolution concerning the dedication of the proceeds of the 1/2 of 1% coverage and solid waste sales tax specifies restrictions as to how the funds must be expended (see Note 10). The City is in compliance with all such significant limitations.

NOTE 4 FLOW OF FUNDS, RESTRICTIONS ON USE – UTILITIES REVENUES

Under the terms of the bond indentures on outstanding Utilities Revenue Bonds dated May 3, 1990, all interest and revenues (including but not limited to all revenue) of every nature, earned or derived from operations of the Utilities System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 9 FLOW OF FUNDS; RESTRICTIONS ON USE – UTILITIES REVENUES (CONTINUED)

Each month, there will be set aside into a fund called the Revenue Bond Sinking Fund an amount constituting of 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such monies shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a Revenue Bond Reserve Fund an initial deposit of \$125,000, then accumulating in the reserve account an amount equal to the least of the highest combined principal and interest requirements in any succeeding fiscal year or 10 percent of bond proceeds. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Capital Additions and Contingencies Fund monthly in the amount of five percent (5%) of the gross revenues of the System for the preceding month, provided that such sum is available after provision is made for all reasonable expenses of administration, operation and maintenance of the System as well as payments into the above required funds. In addition to making for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, money in this fund shall be used to pay the principal of and the interest on those bonds for the payment of which there is not sufficient money in the Revenue Bond Sinking Fund or the Revenue Bond Reserve Fund. This money, however, shall never be used for the making of improvements and extensions to the System or for payment of principal and interest on bonds if such use of said money will leave in the Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of \$10,000.

NOTE 10 DEDUCTION OF PROCEEDS AND FLOW OF FUNDS – SALES AND USE TAXES

The City of Patterson collects sales taxes under four sales tax levies as follows:

Proceeds of a 1% parish wide sales and use tax levied in 1988 (2002 collection: \$471,804; 1993 \$445,409). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to each participating municipality on a monthly basis. The City of Patterson's allocation is 4.7818% of the first \$1,500,000 of net taxes collected. Fifty percent of any collection in excess of \$1,500,000 is divided proportionately among the participating municipalities according to their respective populations as reflected by the most recent federal census or most recent special census. Proceeds of this tax shall be used for the following purposes: construction, acquisition, improvement, maintenance and repairs of streets, capital improvements, public works and buildings (including the acquisition of sites and necessary fixtures, equipment, furnishings and appliances, and the payment of obligations and refunding obligations which have been or may be incurred for the purpose of acquiring and improving public works and buildings); for payment or supplementing salaries of all municipal employees; for the operation of recreational facilities; for the acquisition, maintenance, repairs and payment of operating expenses of equipment, vehicles, and other machinery owned by the municipality; and for any other public purpose authorized by state law.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 10: DEDICATION OF PROCEEDS AND FLOW OF FUNDS – SALES AND USE TAXES (CONTINUED)

Proceeds of a 5% sales and use tax levied in 1974 (2002 collections: \$479,340; 2001: \$435,899). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly among the participating municipalities according to their respective populations as reflected by the most recent federal census or the most recent special census. Proceeds are to be used for the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, streets and sewerage disposal works, and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for any of the above-mentioned purposes. This tax is to be collected until all bonds payable shall have been paid in full in principal and interest or \$1.99, whichever is later.

Proceeds of a 0.50% sales and use tax levied in 1982 (2002 collections: \$359,249; 2001: \$374,634). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly among the participating municipalities according to their respective populations as reflected by the most recent federal census or the most recent special census. Proceeds are dedicated to the following purposes: operating and maintaining the police department, including the acquisition and maintenance of equipment and supplies; paying or reimbursing the salaries of municipal employees; and purchasing, constructing, acquiring, extending and/or improving all or any portion of public works or capital improvements, including but not limited to the construction, improvement and maintenance of drainage, water, and flood control extensions and improvements and the acquisition, construction, improvement, maintenance and repair of streets, roads, and bridges.

Proceeds of a 1% parish wide sales and use tax levied in 2008 (2002 collections: \$117,912; 2001: \$141,090). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to the St. Mary Parish Sheriff, the Parish of St. Mary and each participating municipality on a monthly basis. Proceeds of this tax may be used by the municipalities for any lawful law enforcement purpose.

NOTE 11: PENSION PLAN

Eligible employees of the City participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System

Plan members are required to contribute 5.8 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 4.5 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2002, 2001 and 2000 were \$21,295, \$21,415, and \$18,764, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employees' Retirement System, 7977 Officer Park Blvd., Baton Rouge, Louisiana 70809.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 11 PENSION PLAN (CONTINUED)

Municipal and State Police Retirement System of Louisiana

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 9.8 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2002, 2001, and 2000 were \$13,654, \$18,325 and \$18,724, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System, P. O. Box 94095 – Capital Station, Baton Rouge, Louisiana 70804-0955.

NOTE 12 SOCIAL SECURITY SYSTEM

All employees of the City of Patterson participate in the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City and 7.65% by the employee). The City's contribution during the year ended June 30, 2002 amounted to \$78,603.

NOTE 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to theft, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has elected to purchase insurance coverage through the commercial insurance market to create its exposure to loss. The City is insured up to policy limits for each of the above risks. There were no significant changes in coverages, insurances, or limits during the year ended June 30, 2002. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

NOTE 14 PENDING LITIGATION

The City is not presently involved in any lawsuits which could materially affect the financial condition to the City.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 15: SEGMENT INFORMATION FOR THE ENTERPRISE FUND

The City of Patterson maintains one enterprise fund with three departments which provide gas, water and sewerage services. Segment information for the year ended June 30, 2002 was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	\$ 864,073	\$ 429,000	\$ 134,666	\$ 1,427,739
Operating expenses	(833,661)	(429,586)	(181,857)	(1,445,104)
Operating income/(loss)	\$ 30,412	\$ (9,586)	\$ (47,191)	\$ (26,365)

NOTE 16: CONTRIBUTED CAPITAL

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets is recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:

	Municipality	Federal Grants	State Grants	Customer	Total
Total contributed capital	\$ 1,440,347	\$ 680,115	\$ 1,254,100	\$ 87,381	\$ 3,462,043
Less: Accumulated amortization	—	(541,632)	(689,506)	—	(1,231,138)
Net contributed capital	\$ 1,440,347	\$ 138,483	\$ 564,594	\$ 87,381	\$ 2,230,905

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

NOTE 17 COMPENSATION OF CITY OFFICIALS

A detail of compensation paid to the Mayor and City Council for the year ended June 30, 2002 follows:

Mayor:		
James L. Bonner	\$	30,261
Council:		
Michael Accardo		1,428
David Boardman		1,428
Larry Mendonsa		1,428
C.A. "Cur" Lipari		1,428
Peg Remy		1,428
	\$	<u>71,581</u>

NOTE 18 COMMITMENTS

The City has entered into a contract with Bonavent Construction Company to build the City Hall/Police Station/Jail Complex for \$1,771,500. Approved change orders totaling \$181,668 have increased the total contract price to \$1,953,168. The State of Louisiana has agreed to pay a portion of the cost of the complex to a maximum of \$884,899. As of June 30, 2002, the State has paid \$811,383. The remaining balance owed to Bonavent Construction is \$1,141,815 as construction reaches various stages of completion. As June 30, 2002, a retainer of five percent of the billing is being withheld in the amount of \$58,018. The City has paid Bonavent Construction \$1,506,817 for the year ended June 30, 2002.

In October 2001, the voters passed a resolution to allow the City to issue \$775,000 of 20 year general obligation bonds for the purpose of construction, paving, improving, and resurfacing streets in the City to be repaid with ad valorem taxes. The bonds interest rate cannot exceed nine percent per annum. The voters also passed a resolution to allow the City to issue \$75,000 of 10-year general obligation bonds for the purpose of constructing and acquiring waterworks extensions and improvements to be repaid with ad valorem taxes. The bonds interest rate cannot exceed nine percent per annum. The bonds were sold and the related proceeds were delivered to the City in December 2001.

SUPPLEMENTAL INFORMATION

GENERAL FUND

To account for revenues traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF PATTERSON, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash	\$ 250,992	\$ 191,621
Interest-bearing deposits	2,338,613	2,484,188
Receivables:		
Sales tax receivable	76,882	71,882
Utility franchise taxes receivable	41,811	44,294
Accrued interest receivable	1,188	7,884
Due from other funds	240,261	325,155
Due from other governmental units	<u>23,358</u>	<u>23,569</u>
Total assets	<u>\$ 2,983,193</u>	<u>\$ 2,998,771</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 69,151	\$ 36,653
Due to other funds	284,458	201,983
Advances from other funds	<u>125,008</u>	<u>124,088</u>
Total liabilities	<u>478,617</u>	<u>362,724</u>
Fund balances - unassigned, undesignated	<u>2,504,576</u>	<u>2,636,047</u>
Total liabilities and fund balances	<u>\$ 2,983,193</u>	<u>\$ 2,998,771</u>

CITY OF PATERBORO, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001			2000
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 984,343	\$ 983,269	\$ (1,074)	\$ 949,912
Licenses and permits	96,549	187,582	10,936	102,315
Intergovernmental	188,080	187,994	(86)	182,894
Charges for services	347,468	375,218	27,750	369,890
Fees and forfeits	174,928	186,826	11,898	184,529
Miscellaneous	18,487	150,587	44,810	115,898
Total revenues	<u>1,709,855</u>	<u>1,891,476</u>	<u>61,882</u>	<u>2,718,838</u>
Expenditures:				
Current -				
General government:				
Administrative	344,542	305,597	38,945	367,589
Mechanics shop	68,008	80,996	(1,994)	181,147
Public safety:				
Police	794,146	794,561	9,851	878,736
Fire	38,718	28,588	10,430	34,883
Streets and drainage	349,111	358,784	21,247	327,858
Culture and recreation	28,177	87,143	51,806	27,804
Sanitation	194,860	184,876	9,127	284,767
Capital outlay	27,976	38,332	(10,356)	81,190
Debt service	3,469	3,435	29	3,673
Total expenditures	<u>1,880,127</u>	<u>1,898,018</u>	<u>79,187</u>	<u>1,790,290</u>
 Excess of revenues over expenditures	 <u>(118,147)</u>	 <u>38,958</u>	 <u>141,856</u>	 <u>484,136</u>

(continued)

CITY OF PATTERSON, LOUISIANA
General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance—
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001**

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Other financing sources (uses):				
Operating transfers out	\$ (128,481)	\$ (104,607)	\$ 23,874	\$ (103,811)
Operating transfers in	128,839	181,581	52,652	178,200
Total other financing sources (uses)	(18,352)	116,190	34,492	64,549
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	(391,116)	(116,190)	175,548	249,689
Fund balance, beginning	2,682,115	2,682,126	-	2,131,827
Fund balance, ending	<u>\$ 2,291,000</u>	<u>\$ 2,565,936</u>	<u>\$ 175,548</u>	<u>\$ 2,381,126</u>

CITY OF PATTERSON, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2002

With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Taxes -				
Sales	\$ 808,458	\$ 808,674	\$ 11,216	\$ 803,148
Utility franchise	178,907	177,316	(1,591)	181,791
Housing authority payment in lieu of taxes	3,000	8,278	5,278	3,082
	<u>990,365</u>	<u>994,268</u>	<u>(3,994)</u>	<u>988,021</u>
Licenses and permits -				
Occupational licenses	18,600	187,600	169,000	182,100
Intergovernmental -				
Federal government -				
Police grant	12,210	-	(12,210)	44,363
FEMA	-	4,740	4,740	-
State of Louisiana -				
Beer taxes	7,110	7,458	347	7,009
Videos/Poker	31,413	29,218	(2,195)	29,603
Indian gaming revenue	25,000	25,000	-	19,698
Rural development grant	-	-	-	11,908
Patterson Housing Authority	17,290	28,193	1,503	18,158
St. Mary Parish Council	15,000	15,000	-	494,314
	<u>108,913</u>	<u>187,869</u>	<u>119,000</u>	<u>583,036</u>
Charges for services				
Garbage fees	257,112	257,978	866	251,667
Summer recreation fees	75	152	(84)	78
Mechanics shop fees	60,890	60,999	99	58,167
	<u>318,077</u>	<u>319,129</u>	<u>1,051</u>	<u>309,912</u>
Fines and forfeits	<u>178,528</u>	<u>188,438</u>	<u>9,910</u>	<u>184,429</u>
Miscellaneous:				
Interest	28,114	28,784	(670)	74,000
Oil and gas royalties	589	494	(95)	498
Other sources	62,862	128,112	65,250	58,808
	<u>91,565</u>	<u>157,390</u>	<u>65,735</u>	<u>133,306</u>
Total revenues	<u>\$ 1,387,830</u>	<u>\$ 1,549,519</u>	<u>\$ 161,689</u>	<u>\$ 1,276,936</u>

CITY OF PATTERSON, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
General government:				
Administrative -				
Salaries:				
Office	\$ 58,254	\$ 58,254	\$ 900	\$ 61,143
Mayor	28,240	28,240	-	28,240
Council	17,100	17,100	-	17,100
Payroll taxes	8,894	8,894	2	7,148
Retirement contributions	2,500	2,781	719	3,400
Group insurance	18,411	18,418	1,093	9,893
Magistrate fees	4,500	4,500	-	4,200
Travel and employee expense	1,607	1,622	(15)	2,674
Telephones	2,757	2,354	(607)	2,518
Utilities	47	424	(157)	117
Office supplies	1,875	1,637	238	4,781
Operating supplies	2,412	339	2,113	2,490
Office equipment maintenance	48	34	12	1,618
City Hall maintenance	-	369	(369)	388
Building improvements	11,992	21,307	(9,315)	-
Training and seminars	2,844	839	2,086	543
Professional fees	11,419	8,563	2,856	8,000
Contract fees	-	-	-	100
Research and surveys	6,292	6,779	315	2,457
Employee pensions	117	144	(79)	372
Planning Commission	464	399	62	348
Small interest control	2,717	2,721	16	2,792
Fees and subscriptions	2,604	2,653	351	1,549
Council on Aging grants	1,800	-	1,800	1,800
Indigent Defendants Board	45,449	41,605	1,846	42,927
Donations and grants	1,800	790	2,230	1,960
Advertising and publishing	8,815	9,239	(1,234)	7,015
General insurance	70,872	72,799	2,082	76,698
Public activities and awards	18,298	9,283	9,113	6,706
Miscellaneous	12,149	8,873	3,286	5,360
Total administrative	344,562	319,597	24,965	363,599

(continued)

(CITY OF PATTERSON, CALIFORNIA)
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001			
	Budget	Actual	Variance - Favorable (Unfavorable)	2000 Actual
Mechanics shop -				
Salaries	\$ 31,373	\$ 31,543	\$ (170)	\$ 31,707
Payroll taxes	1,164	2,214	(1,050)	2,208
Retirement contributions	1,280	1,180	(100)	1,690
Group insurance	6,217	6,665	(448)	5,898
Operating supplies	11,888	14,483	(2,595)	9,113
Parts purchased	3,600	2,764	836	4,179
Vehicle oil, gas, and parts	691	-	691	-
Vehicle maintenance	543	1,139	(596)	1,167
Miscellaneous	-	695	(695)	2,158
Total mechanics	60,000	60,555	(555)	58,152
Total general government	404,562	388,555	21,588	393,718
Public safety:				
Police -				
Salaries	404,871	406,459	(1,578)	387,643
Payroll taxes	12,260	24,291	(12,031)	21,183
Retirement contributions	16,500	16,482	(18)	16,182
Group insurance	110,683	88,607	22,076	85,491
Uniform allowances	1,306	2,102	(796)	4,311
Prisoner expense	8,483	9,007	(524)	8,259
Telephone	4,559	4,663	(104)	4,583
Utilities	6,448	2,656	3,792	6,884
Office supplies	13,168	11,349	(1,819)	8,226
Operating supplies	8,661	8,945	(284)	7,790
Police station maintenance & improvements	2,319	16,448	(14,129)	1,568
Equipment maintenance	8,757	8,304	(453)	2,772
Equipment rentals	5,887	5,996	(109)	5,281
Vehicle oil and gas	22,198	21,484	714	26,483
Vehicle maintenance	66,023	23,977	42,046	46,869
Cyber lab	26,321	21,593	(4,728)	26,897
Claims expense	2,386	-	2,386	4,356
Training seminars	1,258	1,327	(69)	2,911
Travel and employee expense	738	1,271	(533)	1,536
Recreation expenses	1,488	1,683	(1,195)	9,924
Miscellaneous	5,528	7,889	(2,361)	825
Total police	734,146	744,541	(9,405)	673,236

(continued)

CITY OF PATTERSON, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance -	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Fire:				
Salaries	\$ 1,683	\$ 1,681	\$ 44	\$ 2,815
Payroll taxes	127	126	1	273
Telephone	1,037	2,480	(1,500)	3,894
Utilities	6,516	5,571	1,085	5,885
Operating supplies	6,485	5,653	832	5,428
Equipment maintenance	1,250	2,000	(783)	5,486
Fire stations maintenance	3,484	2,811	265	300
Fire hydrant rental	6,080	6,080	2,800	6,000
Vehicle oil and gas	-	-	-	68
Vehicle maintenance	1,500	1,583	(1,088)	6,718
Miscellaneous	6,385	583	5,813	844
Total fire	38,718	28,588	10,430	28,877
Total public safety	781,884	771,645	10,813	750,813
Streets and drainage:				
Salaries	111,602	111,734	678	105,187
Payroll taxes	8,196	8,276	(80)	7,631
Retirement contributions	4,280	4,874	(74)	4,638
Group insurance	11,750	12,966	(1,786)	8,268
Casual labor	3,024	4,817	487	5,348
Uniform allowance	1,573	1,849	334	5,779
Utilities	11,777	11,486	2,287	10,467
Operating supplies	13,167	13,843	334	11,461
Softening materials	12,287	16,040	13,247	56,264
Equipment maintenance	18,815	21,388	15,477	18,180
Vehicle oil and gas	8,581	10,671	(2,700)	12,990
Vehicle maintenance	11,507	11,176	141	17,830
Railroad rental/maintenance	289	217	72	2,438
Employee physicals	234	696	(473)	144
Drainage maintenance	2,689	7,886	(4,837)	18,645
Miscellaneous	11,138	11,541	(413)	21,785
Total streets and drainage	248,111	238,784	15,347	187,833

(continued)

CITY OF PATTERSON, CALIFORNIA
General Fund

(Statement of Expenditures Compared to Budget (GAAP Basis) (Continued))
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001

	<u>2002</u>		<u>Variance - Favorable (Unfavorable)</u>	<u>2001 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Culture and recreation:				
Raffles and raffle fees	\$ 2,000	\$ 2,340	\$ (340)	\$ 2,329
Insurance	1,000	763	237	1,088
Utilities	254	248	(289)	500
Activities and events	1,192	894	298	100
Operating supplies	3,179	2,541	4,814	4,978
Facilities maintenance	3,684	(1,879)	6,315	5,810
Rental fee	-	100	(100)	-
Appropriation to Civic Center	11,000	12,900	-	12,500
Miscellaneous	221	-	221	89
Total culture and recreation	<u>28,717</u>	<u>12,146</u>	<u>11,026</u>	<u>27,006</u>
Sanitation:				
Salaries	15,447	15,670	22	15,204
Payroll taxes	1,068	1,070	(14)	1,012
Refuse/recycling contributions	550	681	(118)	510
Group insurance	1,009	4,940	909	3,480
Garbage services received	141,447	137,517	3,720	140,618
Regional facility fee	30,880	25,100	4,603	28,812
Total sanitation	<u>179,881</u>	<u>184,978</u>	<u>3,127</u>	<u>283,736</u>
Capital outlay:				
Police equipment	4,040	1,990	11,914	88,040
Street equipment	11,894	-	11,894	-
Administrative equipment	-	18,318	(18,318)	-
Culture and recreation	-	1,000	(1,000)	3,158
Total capital outlay	<u>17,934</u>	<u>21,318</u>	<u>(16,592)</u>	<u>91,198</u>
Debt service:				
Principal paid	5,178	5,178	-	4,843
Interest and fiscal charges	180	180	20	511
Total debt service	<u>5,358</u>	<u>5,358</u>	<u>20</u>	<u>5,353</u>
Total expenditures	<u>\$ 1,802,471</u>	<u>\$ 1,818,810</u>	<u>\$ 79,142</u>	<u>\$ 1,799,780</u>

CITY OF PATTERSON, LOUISIANA
General Fund

Statement of Other Financing Sources (Uses) -
Compared to Budget (GAAP Basis)
Year Ended June 30, 2003

With Comparative Actual Amounts for Year Ended June 30, 2004

	2003		Variance - Favorable (Unfavorable)	2004 Actual
	Budget	Actual		
Other financing sources:				
Operating transfers out:				
Construction Fund	\$ (230,880)	\$ (230,880)	\$ -	\$ -
1990 Parking Project Fund	-	-	-	(10,550)
Public Improvements 2000 Bond	(70,481)	(64,885)	5,595	(85,845)
Total transfers to other funds	(70,481)	(704,885)	5,595	(116,811)
Transfers from other funds -				
Ad Valorem Tax Collection Fund	138,889	137,107	(1,794)	134,034
Sewerage and Solid Waste Fund	-	30,581	30,581	40,235
Total transfers from other funds	138,889	167,568	38,895	174,569
Total other financing sources	\$ (181,552)	\$ (147,185)	\$ 34,366	\$ (42,242)

CITY OF PATTERSON, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 2002
With Comparative Total for June 30, 1991

	<u>Sewerage and Solid Waste Sales Tax</u>	<u>Ad Valorem Tax Collection</u>	<u>Fire Department Equipment</u>	<u>Emergency Management</u>
ASSETS				
Cash	\$ 288,997	\$ 4,373	\$ -	\$ 38,582
Interest-bearing deposits, at cost	1,099,482	33,049	177,677	23,296
Investments, at fair value	896,005	-	-	-
Accrued interest receivable	18	-	1,287	-
Ad valorem taxes receivable	-	6,888	-	-
Sales taxes receivable	40,000	-	-	-
Due from other funds	-	473	-	-
Due from other governmental units	-	-	11,598	-
Total assets	<u>\$ 2,325,172</u>	<u>\$ 46,783</u>	<u>\$ 191,682</u>	<u>\$ 47,648</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,809	\$ -	\$ -	\$ -
Due to other funds	24,118	46,784	-	-
Total liabilities	<u>26,927</u>	<u>46,784</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved:				
Designated for subsequent year's expenditures	-	-	-	47,648
Undesignated	2,198,245	-	191,682	-
Total fund balances	<u>2,198,245</u>	<u>-</u>	<u>191,682</u>	<u>47,648</u>
Total liabilities and fund balances	<u>\$ 2,325,172</u>	<u>\$ 46,784</u>	<u>\$ 191,682</u>	<u>\$ 47,648</u>

LCF400		Totals	
Fund		(mil)	(mil)
\$	33	\$ 589,999	\$ 794,794
-	-	1,929,149	1,943,189
-	-	696,025	-
-	-	1,400	1,821
-	-	8,848	1,923
-	-	40,685	38,112
-	-	472	37,593
-	-	13,189	33,458
<u>\$</u>	<u>33</u>	<u>\$ 2,412,808</u>	<u>\$ 2,179,026</u>

\$	-	\$ 1,400	\$ 7,126
-	-	79,692	37,194
-	-	71,338	84,528

-	-	47,848	47,491
<u>33</u>	<u>33</u>	<u>2,090,558</u>	<u>2,096,025</u>
<u>33</u>	<u>33</u>	<u>2,438,416</u>	<u>2,113,516</u>
<u>\$</u>	<u>33</u>	<u>\$ 2,412,808</u>	<u>\$ 2,179,026</u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2002
With Comparative Totals for Year Ended June 30, 2001

	<u>Sewerage and Solid Waste Sales Tax</u>	<u>Ad Valorem Tax Collection</u>	<u>Fire Department Equipment</u>	<u>Emergency Management</u>
Revenues:				
Taxes	\$ 476,363	\$ 309,121	\$ 12,588	\$ -
Intergovernmental	-	-	25,034	-
Miscellaneous	21,221	288	12,409	317
Total revenues	<u>497,584</u>	<u>309,409</u>	<u>50,031</u>	<u>317</u>
Expenditures:				
Current -				
General government	23	-	12,819	-
Supporting services - housing rehabilitation	-	-	-	-
Capital outlay				
Fire department equipment	-	-	918	-
Total expenditures	<u>23</u>	<u>-</u>	<u>13,737</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>497,561</u>	<u>309,409</u>	<u>36,294</u>	<u>317</u>
Other uses:				
Operating transfers-out	<u>(212,604)</u>	<u>(209,680)</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>284,957</u>	<u>-</u>	<u>36,294</u>	<u>317</u>
Fund balances, beginning	<u>1,211,254</u>	<u>-</u>	<u>111,838</u>	<u>(7,621)</u>
Fund balances, ending	<u>\$ 1,496,911</u>	<u>\$ -</u>	<u>\$ 148,132</u>	<u>\$ (7,304)</u>

LITERO Fund	Totals	
	2007	2008
\$ -	\$ 786,120	\$ 754,703
20,611	46,149	204,607
	37,528	26,001
20,611	641,807	1,025,311
-	11,004	20,608
20,611	20,611	200,000
	638	1,162
20,611	24,603	221,800
	505,204	581,680
	(221,584)	(671,462)
-	121,000	124,000
11	1,112,116	1,339,600
<u>\$ 11</u>	<u>\$ 1,639,616</u>	<u>\$ 1,113,116</u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Sewerage and Solid Waste Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance --
Budget (GAAP Basis) and Actual
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 404,587	\$ 476,587	\$ 71,999	\$ 418,909
Miscellaneous -				
Interest on deposits	12,764	21,253	8,489	11,909
Total revenues	421,131	498,048	76,917	430,818
Expenditures	183,183	25	183,158	3,624
Excess of revenues over expenditures	237,948	498,023	238,065	427,194
Other financing work:				
Transfers to other funds -				
General Fund	-	(78,880)	(78,880)	(40,294)
Utility Fund	-	(48,846)	(48,846)	-
1983 Public Improvement Bonds Fund	(132,158)	(132,175)	1,017	(131,203)
Total other financing work	(132,158)	(259,901)	(227,884)	(271,497)
Excess of revenues over expenditures and other work	105,790	238,079	(232,211)	155,697
Fund balance, beginning	1,261,924	1,261,924	-	1,268,281
Fund balance, ending	\$ 1,367,714	\$ 1,499,993	\$ (132,211)	\$ 1,511,954

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Ad Valorem Tax Collection Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance --
Budget (GAAP Basis) and Actual
Year ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	<u>2001</u>		<u>Variance -</u>	<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Revenues:				
Taxes	\$ 383,000	\$ 389,182	\$ 6,182	\$ 389,376
Miscellaneous	853	589	(264)	1,636
Total revenues	383,853	389,696	5,837	391,012
Expenditures:	<u>33</u>	<u>33</u>	<u>33</u>	<u>178</u>
Excess of revenues over expenditures	383,820	389,663	5,843	389,834
Other uses:				
Transfers to General Fund	(108,000)	(107,100)	1,774	(104,500)
Transfers to Public Improvement Bonds Fund	<u>(188,700)</u>	<u>(172,870)</u>	<u>(15,830)</u>	<u>(169,500)</u>
Total other financing uses	(296,700)	(279,970)	(16,730)	(274,000)
Excess of revenues over expenditures and other uses	-	-	-	-
Fund balance, beginning	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, ending	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Fire Department Equipment Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (POLAP Basis) and Actual
Year Ended June 30, 2002
With Comparative Actual Accounts for Year Ended June 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 13,458	\$ 13,588	\$ 130	\$ 13,688
Intergovernmental	25,545	21,534	-	14,534
Miscellaneous	1,797	11,889	11,692	1,772
Total revenues	<u>40,800</u>	<u>37,011</u>	<u>11,738</u>	<u>29,994</u>
Expenditures:				
General government	17,712	13,628	4,084	16,826
Capital outlay - equipment	<u>1,251</u>	<u>528</u>	<u>523</u>	<u>2,182</u>
Total expenditures	<u>18,963</u>	<u>14,156</u>	<u>4,606</u>	<u>19,008</u>
Excess of revenues over expenditures	21,837	22,855	16,486	9,778
Fund balance, beginning	<u>156,635</u>	<u>154,028</u>		<u>144,588</u>
Fund balance, ending	<u>\$ 178,472</u>	<u>\$ 176,883</u>	<u>\$ 16,486</u>	<u>\$ 154,028</u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Emergency Management Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (TASRP Basis) and Actual
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2004

	2003		Variance - Favorable (Unfavorable)	2004 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 380	\$ 337	\$ (43)	\$ 814
Income of revenues over expenditures	380	337	(43)	814
Fund balance, beginning	41,491	41,491	-	46,877
Fund balance, ending	\$ 41,871	\$ 41,828	\$ (43)	\$ 47,691

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
LCR863

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2002
With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Intergovernmental	\$ 20,611	\$ 20,611	\$ -	\$ 200,083
Expenditures:				
Supporting services - housing rehabilitation	20,611	20,611	-	200,083
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	33	33	-	33
Fund balance, ending	<u>\$ 33</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 33</u>

DEBT SERVICE FUNDS

Public Improvement Bonds (Series G - J) - To accumulate monies for payment of the Public Improvement Serial Bonds and the 1990 General Obligation Bonds. Debt service is financed by the levy of a specific ad valorem tax.

Sales Tax Revenue Refunding Bonds, Series 1999 - To accumulate monies for payment of the \$1,145,000 Public Improvement Bonds which are due in annual installments ranging from \$40,800 to \$158,000 through December 1, 2005. Debt service is financed by the levy of a specific ½ percent savings and solid waste-sales tax.

1973 Paving Assessment Certificates of Indebtedness - To accumulate monies for payment of the 1973 \$48,209 paving assessment certificates of indebtedness. Debt service is financed by payments on the assessments and related interest.

1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds - To account for current funds on completed paving assessments.

1990 Paving Assessment Fund - To accumulate monies for payment of the 1990 Paving Certificates. Debt service is financed by payments on the assessments and related interest.

Public Improvement Sales Tax Bonds - To accumulate monies for payment of the Public Improvement Sales Tax Bonds Series 2000. Debt service is financed by the pledge of a portion of the ½% Law Enforcement Sales Tax.

CITY OF PATTERSON, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 2002
With Comparative Total for June 30, 2001

	<u>Public Improvement Funds</u>	<u>Sales Tax Refunding Funds</u>	<u>1973 Paving Assessments Certificates of Indebtedness</u>	<u>1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds</u>
ASSETS				
Cash	\$ -	\$ -	\$ 4,177	\$ 35,284
Interest-bearing deposits	266,145	348,649	-	127,813
Receivables:				
Assessments receivable	-	-	6	11,627
Accrued interest	-	312	-	271
Due from other funds	149,624	36,524	-	-
Total assets	<u>\$ 415,769</u>	<u>\$ 385,485</u>	<u>\$ 4,183</u>	<u>\$ 184,795</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred property assessments	\$ -	\$ -	\$ 6	\$ 11,627
Due to other funds	34,897	4,436	-	-
Total liabilities	<u>34,897</u>	<u>4,436</u>	<u>6</u>	<u>11,627</u>
Fund balances:				
Reserve for debt service	381,182	381,130	-	-
Unreserved, undesignated	-	-	4,177	131,628
Total fund balances	<u>381,182</u>	<u>381,130</u>	<u>4,177</u>	<u>131,628</u>
Total liabilities and fund balances	<u>\$ 415,769</u>	<u>\$ 385,485</u>	<u>\$ 4,183</u>	<u>\$ 184,795</u>

1999 Firing Assessment Fund	Public Improvement Sales Tax Bonds	Totals	
		2001	2002
\$ 28,406	\$ -	\$ 28,406	\$1,764
88,497	112,182	200,679	911,373
5,342	-	16,999	17,573
-	-	403	1,853
12,155	-	191,782	219,699
<u>\$ 136,810</u>	<u>\$ 112,182</u>	<u>\$ 1,250,718</u>	<u>\$ 1,282,624</u>
\$ 5,342	\$ -	\$ 16,999	\$ 17,573
120,999	300	182,914	228,108
<u>126,341</u>	<u>300</u>	<u>199,909</u>	<u>245,681</u>
-	111,962	894,163	898,328
1,867	-	157,632	158,183
<u>1,867</u>	<u>111,962</u>	<u>1,051,802</u>	<u>1,056,511</u>
<u>\$ 136,810</u>	<u>\$ 112,182</u>	<u>\$ 1,250,718</u>	<u>\$ 1,282,624</u>

CITY OF FATTERSON, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2002
With Comparative Totals for Year Ended June 30, 2001

	Public Improvement Funds	Sales Tax Refunding Bonds	1971 Paving Assessment Certificates of Indebtedness
Revenues:			
Miscellaneous -			
Property assessments rolled	\$ -	\$ -	\$ -
Interest on investments	-	-	-
Interest on deposits	1,443	9,403	-
Penalties on investments	-	-	-
Other	-	-	-
Total revenues	<u>1,443</u>	<u>9,403</u>	<u>-</u>
Expenditures:			
Capital Outlay	-	-	-
Debt service -			
Principal retirement	31,000	110,000	-
Interest	11,040	27,240	-
Paying agent fees and fiscal charges	1,171	1,150	-
Total expenditures	<u>43,211</u>	<u>138,390</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(41,768)</u>	<u>(128,987)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers in	171,573	171,573	-
Operating transfers out	-	-	-
Proceeds from the sale of bonds	-	-	-
Total other financing sources (uses)	<u>171,573</u>	<u>171,573</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>129,805</u>	<u>42,586</u>	<u>-</u>
Fund balances, beginning	<u>391,219</u>	<u>350,842</u>	<u>4,172</u>
Fund balances, ending	<u>\$ 521,024</u>	<u>\$ 393,428</u>	<u>\$ 4,172</u>

1966, 1967, 1968, 1980 and 1981 Paving Assessment Funds	1980 Paving Assessment Fund	Public Improvement Sales Tax Bonds	Totals	
			2001	2000
\$ -	\$ 578	\$ -	\$ 578	\$ 6,981
-	52	-	52	640
892	1,207	1,080	28,680	38,118
-	-	-	-	32
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328</u>
<u>892</u>	<u>1,259</u>	<u>1,080</u>	<u>27,568</u>	<u>37,940</u>
-	-	66,719	66,719	7,120
-	-	21,000	180,000	197,200
-	-	-	81,208	111,331
<u>-</u>	<u>-</u>	<u>87</u>	<u>2,828</u>	<u>3,487</u>
<u>-</u>	<u>-</u>	<u>71,126</u>	<u>268,755</u>	<u>318,037</u>
<u>892</u>	<u>1,259</u>	<u>278,112</u>	<u>(283,485)</u>	<u>(289,187)</u>
-	-	64,608	378,558	412,896
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>64,608</u>	<u>378,558</u>	<u>412,896</u>
892	1,259	(5,587)	87,113	112,769
<u>158,658</u>	<u>-</u>	<u>117,488</u>	<u>284,692</u>	<u>821,582</u>
\$ <u>159,479</u>	\$ <u>1,259</u>	\$ <u>111,584</u>	\$ <u>1,091,602</u>	\$ <u>964,881</u>

CAPITAL PROJECTS FUNDS

Drainage and Relocation Project – To account for construction of drainage improvements and utility relocation. \$333,800 of drainage was financed by general obligation bonds and relocation costs were funded by a grant from the State Department of Transportation and Development.

Regional Sewerage Facility Project – To account for the City's portion of the financing and construction of a regional sewerage facility. The facility was jointly built by the City of Patterson, Town of Berwick and Wards Five and Eight of St. Mary Parish. The cost of the project was financed by proceeds from the sale of sewerage sales tax bonds, sewerage and solid waste sales tax bonds, and a grant from the state.

Third Street Paving Project – To account for the construction of paving improvements. The cost of the project was financed by property assessments and a grant from the parish.

Murphy Street Paving Project – To account for the construction of paving improvements. The cost of the project was financed by property assessments and a grant from the parish.

City Hall and Jail Complex Project – To account for the construction of a new city hall/jail complex for the City of Patterson. The cost of the project is being financed by proceeds from the sale of public improvement sales tax bonds and a capital grant from the State of Louisiana.

CITY OF PATTERSON, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 2002
With Comparative Totals For June 30, 2001

	Drainage and Relocation Project	Regional Sewerage Facility Project	Third Street Paving Project	Murphy Street Paving Project
ASSETS				
Cash	\$ 1,473	\$ 11,146	\$ -	\$ -
Interest-bearing deposits	108,604	180,828	21,946	31,204
Receivables:				
Accrued interest receivable	-	35	-	-
Due from other funds	20,443	573	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>\$ 130,520</u>	<u>\$ 192,582</u>	<u>\$ 21,946</u>	<u>\$ 31,204</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	<u>1,763</u>	<u>-</u>	<u>-</u>	<u>382</u>
Total liabilities	<u>1,763</u>	<u>-</u>	<u>-</u>	<u>382</u>
Fund balances - unreserved				
Designated for subsequent year's expenditures	<u>128,757</u>	<u>192,582</u>	<u>21,946</u>	<u>30,822</u>
Total liabilities and fund balances	<u>\$ 130,520</u>	<u>\$ 192,582</u>	<u>\$ 21,946</u>	<u>\$ 31,204</u>

City Hall A-101 Complex Project	Totals	
	2000	2001
\$ 100	\$ 34,273	\$ 34,223
126,394	383,236	849,238
-	39	1,612
758	21,794	21,583
<u>127,151</u>	<u>121,501</u>	<u>26,417</u>
<u>\$ 127,151</u>	<u>\$ 121,501</u>	<u>\$ 26,417</u>

\$ 97,300	\$ 97,300	\$ 80,756
88,818	88,818	10,644
<u>-</u>	<u>1,000</u>	<u>1,000</u>
<u>186,118</u>	<u>186,118</u>	<u>92,400</u>

<u>58,975</u>	<u>158,148</u>	<u>814,908</u>
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<u>\$ 186,118</u>	<u>\$ 186,118</u>	<u>\$ 934,308</u>
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CITY OF PATTERSON, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2002

With Comparative Totals for Year Ended June 30, 2001

	Dealing and Relocation Project	Regional Sewerage Facility Project	Third Street Paving Project
Revenues			
Intergovernmental			
State of Louisiana - grant	\$ -	\$ -	\$ -
St. Mary Parish Council appropriation	-	-	-
Miscellaneous			
Interest on interest-bearing deposits	<u>1,813</u>	<u>498</u>	<u>503</u>
Total revenues	<u>1,813</u>	<u>498</u>	<u>503</u>
Expenditures			
General government	-	1,477	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1,477</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	 <u>1,813</u>	 <u>(1,003)</u>	 <u>503</u>
Other financing sources:			
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of revenues and other sources over expenditures and other uses	 <u>1,813</u>	 <u>(1,003)</u>	 <u>503</u>
Fund balances, beginning	<u>117,896</u>	<u>115,693</u>	<u>21,688</u>
Fund balances, ending	<u>\$ 119,709</u>	<u>\$ 114,690</u>	<u>\$ 22,191</u>

Maple Street Parking Project	City Hall & Jail Complex Project	Totals	
		2000	2001
\$ -	\$ 132,842	\$ 751,942	\$ 31,346
	108,000	186,000	.
<u>310</u>	<u>8,028</u>	<u>31,138</u>	<u>44,288</u>
<u>310</u>	<u>896,870</u>	<u>896,182</u>	<u>135,634</u>
-	85	1,642	144
<u>-</u>	<u>1,398,172</u>	<u>1,398,172</u>	<u>283,772</u>
<u>-</u>	<u>1,398,187</u>	<u>1,399,814</u>	<u>283,916</u>
<u>310</u>	<u>(138,335)</u>	<u>(136,192)</u>	<u>(135,546)</u>
<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<u>310</u>	<u>(478,335)</u>	<u>(476,192)</u>	<u>(175,546)</u>
<u>32,311</u>	<u>517,218</u>	<u>824,938</u>	<u>1,038,454</u>
<u>\$ 32,311</u>	<u>\$ 58,872</u>	<u>\$ 158,146</u>	<u>\$ 804,808</u>

ENTERPRISE FUND

Utility Fund – To account for the provision of gas, water, and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF PATTERSON, LOUISIANA
Electric Fund
Utility Fund

Comparative Balance Sheet
June 30, 2002 and 2001

ASSETS	<u>2002</u>	<u>2001</u>
Current assets:		
Cash	\$ 293,189	\$ 219,644
Interest-bearing deposits	483,500	711,604
Investments, at fair value	287,677	-
Receivables:		
Accounts receivable	101,338	297,983
Accrued interest receivable	78	938
Due from other funds	84,647	34,791
Prepaid insurance	3,620	1,536
Total current assets	<u>1,453,779</u>	<u>1,355,956</u>
Advances to other funds	<u>125,000</u>	<u>121,000</u>
Restricted assets:		
Debt and interest sinking fund -		
Interest-bearing deposits	93,712	166,994
Accrued interest receivable	187	218
Fund reserve fund -		
Interest-bearing deposits	128,348	128,348
Capital additions and contingencies fund -		
Cash	73,028	73,028
Interest-bearing deposits	1,050,186	921,278
Debt-construction fund -		
Cash	48,900	48,900
Interest-bearing deposits	192,009	188,620
Customers' deposits -		
Cash	90,939	83,198
Interest-bearing deposits	149,370	148,370
Total restricted assets	<u>1,818,721</u>	<u>1,583,977</u>
Property, plant and equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation (2001 \$3,179,189; 2001 \$3,139,614)	<u>4,838,499</u>	<u>3,067,068</u>
Total assets	<u>\$ 3,726,999</u>	<u>\$ 3,126,957</u>

	<u>2002</u>	<u>2001</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) :		
Accounts payable	\$ 61,361	\$ 71,156
Due to other funds	16,671	68,289
Accrued liabilities	<u>1,753</u>	<u>4,173</u>
Total current liabilities (payable from current assets)	<u>81,785</u>	<u>143,618</u>
Current liabilities (payable from restricted assets) :		
Revenue bond payable, net of unamortized		
bond discount (2002: \$1,728; 2001: \$1,738)	61,373	61,373
Accrued interest payable	8,893	8,893
Customers' deposits	<u>264,189</u>	<u>233,679</u>
Total current liabilities (payable from restricted assets)	<u>335,455</u>	<u>304,945</u>
Long-term liabilities -		
Revenue bonds payable, net of current portion and unamortized		
bond discount (2001: \$19,698; 2001: \$21,626)	<u>660,992</u>	<u>728,124</u>
Total liabilities	<u>1,078,032</u>	<u>1,176,688</u>
Fund equity:		
Contributed capital -		
Customers	67,260	67,260
Intergovernmental	1,446,367	1,446,367
Federal grants (net of accumulated amortization)	356,190	348,179
State grants (net of accumulated amortization)	<u>764,613</u>	<u>888,978</u>
Total contributed capital	<u>2,634,430</u>	<u>2,750,884</u>
Retained earnings -		
Reserved for revenue bond retirement	849,688	1,293,068
Unreserved	<u>(211,716)</u>	<u>(169,972)</u>
Total retained earnings	<u>637,972</u>	<u>1,123,096</u>
Total fund equity	<u>3,272,402</u>	<u>3,873,980</u>
Total liabilities and fund equity	<u>\$ 3,350,434</u>	<u>\$ 3,100,674</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charges for services -		
Gas sales and services	\$ 654,985	\$ 1,476,481
Water sales and services	408,839	421,501
Sewerage services	128,772	158,114
Delinquency charges	37,298	-
Commissions, transfers and reconnections	9,349	36,796
Miscellaneous	17,498	28,324
Total operating revenues	<u>1,256,741</u>	<u>2,101,216</u>
Operating expenses:		
Administrative	296,628	277,838
Gas department	734,578	1,293,480
Water department	333,829	345,281
Sewerage department	283,143	338,268
Total operating expenses	<u>1,648,178</u>	<u>2,254,867</u>
Operating income	<u>608,563</u>	<u>846,349</u>
Nonoperating revenues (expenses):		
Interest income	37,883	40,664
Proceeds from sale of assets	-	815
Interest and fiscal charges	<u>(159,659)</u>	<u>(184,698)</u>
Total nonoperating revenues (expenses)	<u>(121,776)</u>	<u>(143,219)</u>
Income before operating transfers	<u>486,787</u>	<u>703,130</u>
Operating transfer out		
Operating transfers out	<u>(88,886)</u>	<u>-</u>
Net income	<u>397,901</u>	<u>703,130</u>
Add: Depreciation on fixed assets acquired by federal grant revenues materially restricted for capital acquisitions and construction that reduces contributed capital	<u>86,242</u>	<u>66,242</u>
Increase in retained earnings	<u>484,143</u>	<u>769,372</u>
Retained earnings (deficit), beginning	<u>379,188</u>	<u>511,239</u>
Retained earnings, ending	<u>\$ 863,331</u>	<u>\$ 1,280,611</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Administration:		
Salaries	1 102,172	1 102,000
Payroll taxes	2,448	2,249
Retirement contributions	9,706	2,548
Group insurance	12,894	11,670
Billing and meter processing	14,000	12,106
Telephone	1,148	918
Office supplies	6,800	1,004
Office equipment maintenance and rentals	926	732
Building repairs and maintenance	870	2,156
Vehicle repairs and maintenance	14	2,252
Depreciation	8,218	2,102
Training and seminars	1,118	782
Professional fees	8,128	11,948
General insurance	67,124	44,649
Miscellaneous	13,870	11,782
Total administration	<u>296,528</u>	<u>221,608</u>
Gas department:		
Salaries	118,445	121,588
Payroll taxes	16,097	9,264
Retirement contributions	4,662	4,388
Group insurance	26,548	16,097
Uncollectible billings	880	1,697
Telephone	1,857	1,720
Utilities	2,102	2,188
Gas purchases	442,286	579,409
Operating supplies	2,158	4,388
Equipment repairs and maintenance	2,254	2,817
Distribution system repairs and maintenance	8,212	6,548
Vehicle oil and gas	2,480	4,790
Vehicle repairs and maintenance	14,780	12,702
Meters, hardware and lines	2,022	11,088
Depreciation	59,102	56,886
Miscellaneous	9,886	6,124
Total gas department	<u>724,229</u>	<u>1,231,496</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Water department:		
Salaries	\$ 113,423	\$ 113,141
Payroll taxes	8,172	8,176
Retirement contributions	2,558	2,981
Group insurance	13,762	10,649
Uncollectible billings	244	2,899
Telephone	1,241	1,267
Depreciation	74,487	74,880
Utilities	17,526	24,948
Chemicals and agents	17,858	19,787
Operating supplies	1,126	1,397
Equipment repairs and maintenance	10,342	10,879
Building repairs and maintenance	1,841	854
Distribution system repairs and maintenance	3,377	7,827
Vehicle oil and gas	3,880	4,584
Vehicle repairs and maintenance	2,883	2,348
Meters, hardware and maintenance	10,477	15,897
Engineering cost	-	4,159
Miscellaneous	<u>12,366</u>	<u>19,447</u>
Total water department	<u>335,829</u>	<u>349,281</u>
Sewerage department:		
Depreciation	112,164	110,168
Uncollectible billings	201	1,896
Utilities	18,496	14,874
Sewerage treatment	148,495	116,412
Operating supplies	558	1,588
Equipment repairs, maintenance and visits	2,996	4,893
Distribution system repairs and maintenance	5,179	8,677
Miscellaneous	<u>1,450</u>	<u>528</u>
Total sewerage department	<u>389,145</u>	<u>358,799</u>
Total operating expenses	<u>\$ 724,974</u>	<u>\$ 708,080</u>

CITY OF PATERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Operating income	\$ 1,105,642	\$ 1,149,212
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	267,281	271,696
Gain on disposal of fixed assets	-	(240)
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(11,431)	5,411
(Increase) decrease in inventory	(1,181)	7,681
Increase (decrease) in accounts payable	(12,889)	3,289
Increase (decrease) in accrued liabilities	(421)	1,861
Total adjustments	239,720	290,927
Net cash provided by operating activities	1,345,362	1,440,138
Cash flows from noncapital financing activities:		
Cash paid to other funds	(1,271,654)	(30,654)
Cash received from other funds	27,882	(21,852)
Net cash provided by noncapital financing activities	(1,243,772)	58,732
Cash flows from capital and related financing activities:		
Acquisition of plant and equipment	-	(26,179)
Proceeds from sale of fixed assets	-	855
Principal paid on revenue bond maturities	(60,000)	(60,000)
Interest paid on revenue bonds	(57,688)	(51,888)
Increase in customers' meter deposits	13,732	8,282
Net cash used by capital and related financing activities	(113,956)	(128,130)

CITY OF PATERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	\$ (41,856)	\$ (40,843)
Purchase in investments	-	-
Proceeds from the sale and maturity and interest-bearing deposits	39,948	511,871
Proceeds from maturities of investments	-	271,593
Interest on interest-bearing deposits	<u>31,983</u>	<u>81,186</u>
Net cash provided by investing activities	<u>30,075</u>	<u>382,007</u>
Net increase in cash and cash equivalents	184,614	774,948
Cash and cash equivalents, beginning of period	<u>1,494,796</u>	<u>1,719,648</u>
Cash and cash equivalents, end of period	<u>\$ 1,679,412</u>	<u>\$ 2,494,596</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 219,644	\$ 281,773
Interest-bearing deposits - unrestricted	771,624	231,845
Cash - restricted	186,110	186,864
Interest-bearing deposits - restricted	1,487,658	1,298,576
Less: Interest-bearing deposits with a maturity over three months	<u>(186,282)</u>	<u>(178,155)</u>
Total cash and cash equivalents	<u>1,494,796</u>	<u>1,719,648</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	153,149	219,644
Interest-bearing deposits - unrestricted	788,156	771,624
Cash - restricted	287,850	186,110
Interest-bearing deposits - restricted	1,441,667	1,487,658
Less: Interest-bearing deposits with a maturity over three months	<u>(189,652)</u>	<u>(186,282)</u>
Total cash and cash equivalents	<u>1,679,412</u>	<u>1,494,796</u>
Net increase	<u>\$ 184,614</u>	<u>\$ 774,948</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Fund Debt Service
Years Ended June 30, 2002

	<u>Fund and Interest Sinking</u>	<u>Fund Reserve</u>	<u>Capital Additions and Contingencies</u>	<u>Total</u>
Cash, interest-bearing deposits and investments, July 1, 2001	\$ <u>106,308</u>	\$ <u>118,388</u>	\$ <u>894,264</u>	\$ <u>1,230,056</u>
Cash receipts:				
Transfers from operating cash	140,860	-	113,118	258,178
Interest on deposits	<u>2,352</u>	<u>2,311</u>	<u>34,948</u>	<u>39,611</u>
Total cash receipts	<u>143,212</u>	<u>2,311</u>	<u>148,066</u>	<u>293,589</u>
 Total cash, interest-bearing deposits and investments	 <u>249,520</u>	 <u>120,699</u>	 <u>1,042,334</u>	 <u>1,492,553</u>
Cash disbursements:				
Principal payments	65,600	-	-	65,600
Interest payments	37,480	-	-	37,480
Paying agent fees and fiscal charges	30,940	-	-	30,940
Transfers to operating	<u>-</u>	<u>2,311</u>	<u>-</u>	<u>2,311</u>
Total cash disbursements	<u>134,020</u>	<u>2,311</u>	<u>-</u>	<u>136,331</u>
 Cash, interest-bearing deposits and investments, June 30, 2002	 <u>\$ 115,500</u>	 <u>\$ 118,388</u>	 <u>\$ 1,042,334</u>	 <u>\$ 1,276,222</u>

FIDUCIARY FUNDS

AIRMY FUNDS

Payroll and Disbursement Funds— To account for the contribution of two clearing accounts which are used for the disbursements (except the transfers between funds) of all City funds, including those for purchases, payroll and payroll related costs.

CITY OF PATTERSON, LOUISIANA
Fiduciary Funds

Comparing Balance Sheet
 June 30, 2001

With Comparative Totals for June 30, 2000

	Payroll Fund	Disbursement Fund	Totals	
			2000	2001
ASSETS				
Cash	\$ 88,794	\$ 11,457	\$ 101,141	\$ 105,889
Due from other funds	_____	_____ 16,188	_____ 16,188	_____ 17,800
Total assets	\$ 88,794	\$ 27,645	\$ 117,360	\$ 122,889
LIABILITIES				
Accrued liabilities	\$ 28,254	\$ -	\$ 28,254	\$ 30,631
Due to other funds	_____ 60,438	_____ 27,645	_____ 88,188	_____ 101,254
Total liabilities	\$ 88,794	\$ 27,645	\$ 117,360	\$ 131,885

CITY OF PATTERSON, LOUISIANA
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2002

	Balance 7/1/2001	Additions	Deductions	Balance 6/30/2002
PAYROLL FUND				
ASSETS				
Cash	\$ 382,082	\$ 1,316,341	\$ 1,119,332	\$ 569,091
LIABILITIES				
Accrued Liabilities	\$ 19,831	\$ 638,379	\$ 628,937	\$ 29,274
Due to other funds	84,833	1,316,341	1,118,738	60,436
Total Liabilities	\$ 104,664	\$ 1,954,720	\$ 1,747,675	\$ 29,710
EXPERIMENT FUND				
ASSETS				
Cash	\$ 1,834	\$ 1,731,873	\$ 1,714,242	\$ 11,465
Due from other funds	17,088	811,811	811,814	16,085
Total assets	\$ 18,922	\$ 2,543,684	\$ 2,526,056	\$ 27,550
LIABILITIES				
Accrued Liabilities	\$ 1,581	-	\$ 1,581	\$ -
Due to other funds	16,341	809,293	809,662	17,600
Total Liabilities	\$ 17,922	\$ 809,293	\$ 811,243	\$ 17,600
TOTAL - ALL FIDUCIARY FUNDS				
ASSETS				
Cash	\$ 383,916	\$ 2,048,214	\$ 2,833,574	\$ 580,556
Due from other funds	17,088	811,811	811,814	16,085
Total assets	\$ 401,004	\$ 2,859,025	\$ 3,645,388	\$ 596,641
LIABILITIES				
Accrued Liabilities	\$ 20,632	\$ 638,179	\$ 630,538	\$ 28,274
Due to other funds	101,224	1,954,220	1,947,286	88,036
Total Liabilities	\$ 121,856	\$ 2,592,400	\$ 2,577,824	\$ 116,310

GENERAL FIXED-ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

CITY OF PATTERSON, LOUISIANA

**Comparative Statement of General Fixed Assets
June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
General fixed assets, at cost:		
Land	\$ 210,244	\$ 210,244
Buildings	459,150	459,150
Equipment	863,463	867,118
Construction in progress	<u>1,943,836</u>	<u>302,845</u>
Total general fixed assets	\$ 3,387,723	\$ 1,839,468
Investment in general fixed assets:		
Property acquired from :		
General Fund revenues	\$ 1,840,987	\$ 890,960
Federal revenue sharing funds	26,166	33,348
Federal and local grants	1,887,794	339,812
Special revenue fund revenues	379,823	396,897
Capital projects funds - sales tax bonds	<u>1,861,768</u>	<u>217,439</u>
Total investment in general fixed assets	\$ 3,387,723	\$ 1,839,468

CITY OF PATTERSON, LOUISIANA
Statement of Changes in General Fixed Assets
Year Ended June 30, 2002

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Construction in progress</u>	<u>Total</u>
General fixed assets, beginning	\$ 230,244	\$ 418,180	\$ 987,124	\$ 382,848	\$ 1,998,496
Additions:					
General Fund revenues	-	-	38,331	-	38,331
Special Revenue Fund revenues	-	-	935	-	935
Capital Project	-	-	-	836,198	836,198
Debt Service	-	-	-	48,719	48,719
State grant	-	-	-	753,692	753,692
Total additions	-	-	39,266	1,638,599	1,677,865
Deletions	-	-	60,929	-	60,929
General fixed assets, ending	\$ 230,244	\$ 418,180	\$ 965,461	\$ 1,587,626	\$ 3,061,511

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

CITY OF PATTERSON, LOUISIANA

Statement of General Long-Term Debt

June 30, 2002

With Comparative totals for June 30, 2001

	<u>Capital Lease</u>	<u>Public Improvement Bonds</u>	<u>General Obligation Sales Tax Bonds</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount available in debt service funds for debt retirement	\$ -	\$ 294,000	\$ (600,881)
Amount to be provided from -			
General Fund revenues	-	-	-
Ad valorem taxes	-	218,000	-
Sales and use taxes	-	-	388,881
Total available and to be provided	<u>\$ -</u>	<u>\$ 218,000</u>	<u>\$ 388,881</u>
GENERAL LONG-TERM DEBT PAYABLE			
Lease obligation payable	\$ -	\$ -	\$ -
Bonds payable	-	610,880	1,290,880
Total general long-term debt payable	<u>\$ -</u>	<u>\$ 610,880</u>	<u>\$ 1,290,880</u>

Totals	
2000	2001

\$ 894,783 \$ 866,993

- 3,218
210,000 279,781
704,803 766,227

\$ 1,000,000 \$ 1,113,233

\$ - \$ 3,218
1,000,000 2,100,000

\$ 1,000,000 \$ 1,113,233

OTHER SUPPLEMENTARY INFORMATION

CITY OF PRITTSBORO, LOUISIANA
Enterprise Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2002

Records maintained by the City indicated the following number of customers were being served during the months of June, 2002 and 2001:

<u>Department</u>	<u>2002</u>	<u>2001</u>
Gas (metered)	1,890	1,890
Water (metered)	2,026	2,282
Sewerage	1,882	1,878
Sanitation*	2,122	1,878

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2002 and 2001

	2002		2001	
	2002	2001	2002	2001
Operating revenues:				
Charges for services -				
Customers	\$ 1,561,377	\$ 1,556,696	\$ 836,883	\$ 1,479,791
Selling expenses charges	21,280	-	29,033	-
Commissions, installation, and maintenance	9,349	10,759	2,680	2,241
Miscellaneous	11,898	18,238	2,622	8,283
Total operating revenue	1,603,904	1,585,693	869,218	1,488,315
Operating expenses:				
Salaries	202,449	149,643	139,444	177,589
Pension costs	28,714	26,474	36,897	9,204
Retirement contribution	11,266	10,349	4,692	4,299
Group insurance	16,496	22,287	36,646	36,887
Gas purchases	440,359	939,659	481,296	979,429
Chemical and agents	27,688	29,797	-	-
Equipment repairs and maintenance	27,499	25,403	1,209	1,807
Distribution systems repairs and maintenance	66,211	26,695	9,319	4,449
Vehicles and trailers	6,841	9,105	1,480	4,755
Vehicle repairs and maintenance	16,880	17,226	14,340	13,739
Meters, hardware and tools	24,759	21,687	1,020	11,699
Professional fees	8,328	11,849	-	-
Depreciation	291,770	271,696	30,122	26,696
Insurance	67,239	44,445	-	-
Office expenses	10,888	11,348	2,109	4,549
Storage treatment	146,690	126,432	-	-
Other	190,749	126,798	10,881	29,793
Allowance of administrative expenses	-	-	76,112	149,612
Total operating expenses	1,626,078	1,585,692	838,663	1,480,283
Operating income (loss)	127,826	100,001	30,555	108,032
Nonoperating revenues (expenses):				
Interest income	27,283	40,244	-	-
Proceeds from sale of assets	-	884	-	-
Interest and fiscal charges	(27,688)	(24,690)	-	-
Total nonoperating revenues (expenses)	22,595	16,438	-	-
Income before operating transfers	150,421	116,439	-	-
Operating transfers in (out)	(40,046)	-	-	-
Net income	110,375	116,439	-	-
Add: Depreciation that must be provided				
for fixed grant resources initially included				
for capital expenditures and improvements	66,390	66,390	-	-
that reduce restricted capital	146,866	206,878	-	-
Retained earnings (deficit), beginning	225,388	128,219	-	-
Retained earnings, ending	\$ 548,019	\$ 517,927	-	-

Wages		Savings		distributions	
2002	2001	2002	2001	2002	2001
\$ 404,620	\$ 401,960	\$ 300,172	\$ 300,134	\$ -	\$ -
9,170	-	7,893	-	-	-
3,496	3,609	5,613	5,569	-	-
6,262	7,339	16,829	17,131	-	-
404,620	408,909	326,605	322,833	-	-
111,420	111,368	-	-	80,172	80,393
9,170	9,170	-	-	7,446	7,588
3,496	3,968	-	-	4,566	5,549
13,762	16,649	-	-	10,894	11,671
-	-	-	-	-	-
17,808	19,787	-	-	-	-
16,762	16,819	1,996	4,893	166	753
3,757	7,627	1,379	6,877	-	-
3,760	4,936	-	-	-	-
3,889	3,259	-	-	14	1,232
14,627	14,687	-	-	-	-
-	-	-	-	8,128	10,449
14,687	14,686	113,366	113,368	8,116	7,323
-	-	-	-	87,134	44,643
1,126	3,897	-	-	6,893	7,614
-	-	149,490	156,492	-	-
43,804	43,760	11,769	14,498	13,340	26,666
50,671	43,718	80,746	84,820	100,126	127,689
429,890	488,913	383,887	383,761	-	-
\$ 489,510	\$ 501,480	\$ 471,281	\$ 470,169	\$ -	\$ -

CITY OF PATTERSON, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2002

Description of Coverage	Coverage Amount
Workers's Compensation - Employer's liability	Salary \$ 1,800,000
Surety Bonds -	
Mrs. Pamela Washington	11,000
Ms. Angela Stalling	5,000
Public employees	5,000
Public right-of-way	1,000
Policeman's Professional Liability	1,800,000
Comprehensive General Liability, Bodily Injury, and Property Damage	500,000
Comprehensive Automobile Liability	500,000
Fire, Lightning, and Extended Coverage - Buildings and contents, all risks except flood and earthquakes	3,800,500
Summer Recreation Program -	
Death and dismemberment	1,000
Medical expenses	10,000
Public officials errors and omissions	500,000

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds
June 30, 2002

	Term	Maturity Date	Interest Rate	Total Amount
General Fund:				
Insured Money Market	N/A	N/A	2.250%	\$ 104,830
Insured Money Market	N/A	N/A	2.250%	1,083,083
Insured Money Market	N/A	N/A	2.250%	45,829
Insured Money Market	N/A	N/A	2.250%	247,833
Insured Money Market	N/A	N/A	2.250%	104,136
Savings	N/A	N/A	2.000%	265,069
Savings	N/A	N/A	2.000%	4,249
Savings	N/A	N/A	2.000%	3,241
Certificate of deposit	31 days	7/9/2002	1.000%	45,000
Certificate of deposit - Patterson State Bank	91 days	3/26/2002	1.250%	90,000
Certificate of deposit - Patterson State Bank	91 days	9/11/2002	1.250%	30,000
Certificate of deposit - Patterson State Bank	182 days	8/12/2002	1.250%	799
Certificate of deposit - Patterson State Bank	181 days	7/2/2002	1.250%	281,487
Certificate of deposit - Patterson State Bank	182 days	8/12/2002	1.250%	86,487
				<u>2,500,612</u>
Special Revenue Fund:				
Severage and Solid Waste Sales Tax Fund -				
Insured Money Market	N/A	N/A	2.250%	940,083
Certificate of deposit - Patterson State Bank	182 days	8/7/2002	1.250%	151,000
Treasury Fund	N/A	N/A	2.110%	898,023
				<u>1,989,106</u>
Ad Valorem Tax Collection Fund -				
Savings	N/A	N/A	2.000%	<u>31,015</u>
Fire Department Equipment Fund -				
Insured Money Market	N/A	N/A	2.250%	91,112
Certificate of Deposit - Patterson State Bank	90 days	7/29/2002	1.250%	25,000
Certificate of Deposit - Patterson State Bank	1 year	9/24/2002	2.000%	58,489
				<u>174,601</u>
Emergency Management Fund -				
Insured Money Market	N/A	N/A	2.250%	<u>23,258</u>
Total special revenue funds				<u>2,115,405</u>

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds (Continued)
June 30, 2002

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Amount</u>
Debt Service Funds:				
Public Improvement Bonds Fund -				
Insured Money Market	N/A	N/A	2.250%	\$ <u>296,145</u>
Sales Tax Revenue Refunding Bonds Series -				
Insured Money Market	N/A	N/A	2.250%	176,750
Certificate of Deposit - Patterson State Bank	182 days	11/18/2002	1.250%	<u>220,828</u>
				<u>397,598</u>
Sales Tax Sinking Fund -				
Insured Money Market	N/A	N/A	2.250%	51,459
Insured Money Market - Reserve	N/A	N/A	2.250%	<u>88,750</u>
				<u>140,209</u>
1966, 1967, 1969, 1990 AND 1992 Parking Assessment Funds -				
Savings	N/A	N/A	2.880%	100
Certificate of Deposit - Patterson State Bank	182 days	8/22/2002	1.250%	54,917
Certificate of Deposit - Patterson State Bank	182 days	8/19/2002	1.340%	58,395
Certificate of Deposit - Patterson State Bank	182 days	8/18/2002	1.250%	<u>22,608</u>
				<u>135,913</u>
1990 Street Paving Project -				
Insured Money Market	N/A	N/A	2.250%	<u>88,492</u>
				<u>88,492</u>
Total debt service funds				<u>583,312</u>
Capital Projects Funds:				
1988 Drainage Project Fund -				
Insured Money Market	N/A	N/A	2.250%	<u>126,626</u>
Regional Sewerage Facility Project Fund -				
Certificate of Deposit - Patterson State Bank	182 days	8/22/2002	1.250%	16,000
Certificate of Deposit - Patterson State Bank	182 days	8/18/2002	1.050%	<u>85,833</u>
				<u>101,833</u>
Third Street Paving Project Fund -				
Insured Money Market	N/A	N/A	1.250%	<u>11,846</u>
Murphy Street Paving Project Fund -				
Insured Money Market	N/A	N/A	2.250%	<u>15,214</u>

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds (Continued)

June 30, 2002

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Amount</u>
Water Use Bond Construction Fund:				
Insured Money Market	N/A	N/A	1.250%	\$ 128,794
Total capital projects funds				<u>128,794</u>
Utility Funds:				
Insured Money Market	N/A	N/A	1.250%	811,939
Insured Money Market	N/A	N/A	1.250%	1,818,273
Insured Money Market	N/A	N/A	1.250%	182,636
Savings	N/A	N/A	1.000%	14,813
Savings	N/A	N/A	1.000%	16,734
Certificate of Deposit - Patterson State Bank	182 days	11/15/2002	1.250%	148,275
Certificate of Deposit - Patterson State Bank	182 days	8/14/2002	1.250%	41,378
Treasury Fund	N/A	N/A	Various	287,872
Total - all funds				<u>\$ 3,218,899</u>

INTERNAL CONTROL
AND
COMPLIANCE

GUIDRY, CHAUVIN & TAYLOR

CERTIFIED PUBLIC ACCOUNTANTS
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PATTERSON, LOUISIANA 70252

MEMBER OF
GENERAL COUNCIL OF
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION
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EST. 1982
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Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable James L. Darnett, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Patterson, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance that are required to be reported under Government Auditing Standards. These instances of noncompliance are reported in items 2002-01 through 2003-04 on Part 2 of the Schedule of Findings and Questioned Costs.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Patterson, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one matter involving the internal control over reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Patterson, Louisiana's ability to record, process, summarize and report financial data consistent with assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 1001-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to entities in the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting, would not necessarily disclose all matters in the internal control that might

be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that the reportable condition described at 2002-05 in the accompanying schedule of findings and questioned costs is a material weakness.

This report is intended for the information and use of the City Council, management and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Quilley, Chastain & Taylor
A Corporation of Certified Public Accountants

Franklin, Louisiana
November 15, 2002

CITY OF PATTERSON, LOUISIANA

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2002**

2001-01	Finding:	<u>Bond sinking fund transfers were not made timely</u>
	Status:	This finding has been resolved. Transfers required by the revenue bond ordinance are being made timely.
2001-02	Finding:	<u>Contingency fund transfers were not made timely</u>
	Status:	See response to 2001-01.
2001-03	Finding:	<u>Bid fee requirements were not adhered to</u>
	Status:	The City is maintaining documentation of phone bids obtained as required by the bid law.
2001-04	Finding:	<u>Operating budget not submitted to Council timely</u>
	Status:	This finding was not resolved and will be retained in 2002 as finding 2002-01.
2001-05	Finding:	<u>Amendments to Operating budget not submitted to Council timely</u>
	Status:	This finding was not resolved and will be retained in 2002 as finding 2002-02.
2001-06	Finding:	<u>Monthly financial statements compared to budget not submitted to Council</u>
	Status:	This finding was not resolved and will be retained in 2002 as finding 2002-03.
2001-07	Finding:	<u>Annual finance report not submitted to Council</u>
	Status:	This finding was not resolved and will be retained in 2002 as finding 2002-04.

CITY OF PATTERSON, LOUISIANA

Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on the City of Patterson, Louisiana's general purpose financial statements as of and for the year ended June 30, 2002.

Reportable Conditions – Financial Statements

There were no reportable conditions in internal control over financial reporting disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

There were four material instances of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2002.

Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards

2005-01 Adoption of Operating Budget

Findings:

State law requires that operating budgets be submitted to the governing authority 10 days prior to the beginning of the budget year. Also, the City's Home Rule Charter requires the operating budget be approved 10 days prior to the beginning of the budget year. The operating budget for the year ended June 30, 2002 was adopted on July 5, 2001.

Recommendation:

Budgets should be prepared timely and procedures relating to the preparation and adoption of the budget should be in accordance with state laws and the Home Rule Charter.

CITY OF PATTERSON, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2002

2001-02 Amendment of the 2001-2002 operating budget

Finding:

State law requires that amendments to the operating budget be submitted to the governing authority prior to the beginning of the new budget year. The amendments to the operating budget for the year ended June 30, 2002 were submitted to the council on May 30, 2002 but final approval of the amendments was not given until August 6, 2002.

Recommendation:

Amendments to the budgets should be done timely.

2000-00 Monthly financial statements compared to budget

Finding:

Monthly financial statements with budget comparisons are not being submitted to the council as required by the House Rule Charter no later than fifteen days after the end of the month.

Recommendation:

Timely financial statements should be given to the council.

2001-04 Finance report to the Council

Finding:

The City of Patterson's House Rule Charter requires that forty-five days after the end of the fiscal year a complete report on the financial and administrative activities of the City be submitted to the council. The City has not complied with this requirement.

Recommendation:

Timely reports should be given to the council.

CITY OF PATTERSON, LOUISIANA

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2002

2001-02 Computerized Accounting System

Finding:

The City has been having problems generating reliable accounting data to provide to the council and for use of management for at least two years. The accounting package is generating unreliable budget to actual comparisons since the system was implemented. In addition, several other conditions within the program make obtaining reliable accounting information difficult and cumbersome to obtain.

Recommendation:

The City should consult with its software provider to seek its assistance in resolving these problems. Should the software provider be unable or unwilling to correct these problems and limitations, the City should seriously explore the costs versus the benefits of changing accounting software to a system that can more readily generate and supply reliable data.

Part 2: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2002 the City of Patterson, Louisiana did not meet the requirement to have a single audit in accordance with OMB Circular A-110, therefore this section is not applicable.

CITY OF PATTERSON, LOUISIANA

**Management's Corrective Action Plan For Current Year Findings
Year Ended June 30, 2005**

Response to Finding 2001-01:

The City has been having difficulty with its computer system. These difficulties have caused delays in producing timely financial information. Due to these delays, the City was unable to generate reliable financial information in order to prepare reasonable budget projections. The City is working on resolving these problems through contact with its software provider. The City has also begun the process of looking into a new accounting package.

Response to Finding 2001-02:

See response to 2002-01.

Response to Finding 2001-03:

See response to 2002-01.

Response to Finding 2001-04:

See response to 2002-01.

Response to Finding 2001-05:

See response to 2002-01.